

REMARKS

Claims 14 and 38 have been amended. Claims 14-16 and 24-46 are pending in the present application. Applicants reserve all rights with respect to the applicability of the Doctrine of Equivalents.

35 U.S.C. § 102 Rejections

The Examiner has rejected claims 14-16, 24-27, 29, 32-38, 40, and 42-46, under 35 U.S.C. § 102(b) as being anticipated by Didriksen, et al., U.S. Patent 6,728,597, (hereinafter Didriksen).

The Examiner takes the position that the connecting unit 3 of Didriksen discloses a static storage area as claimed. However, the connecting unit 3 in Didriksen is not a static storage area, but rather just a transit stage for transferring items from the receiving/delivery unit 1 to the frames 4 of the circulating storage arrangement 2 or vice versa. Nowhere does Didriksen disclose storing any items in the connecting unit 3. Furthermore, storing items in connecting unit 3 would prevent the proper functioning of the system, since storing items in the connecting unit 3 would prevent transferring additional items in or out of the circulating storage arrangement 2. Accordingly, the connecting unit 3 in Didriksen does not disclose a static storage area as claimed.

The Examiner takes the position that Didriksen only needs to show one of a static storage area or a circulating storage area to anticipate claims 14 and 38. Applicant respectfully disagrees. However, to further prosecution, Applicant has

amended claims 14 and 38 to recite both a static storage area and a circulating storage area. Claim 14 recites items of stock being transferred from an input area to either the static storage area or the circulating storage area based on a decision made by controlling software. Claim 38 claims a decision being made as to whether to load an item of stock into the static storage area or one of the plurality of storage regions. Thus, it is clear that a choice is made to load the items onto one storage area or the other. Nowhere does Didriksen disclose these features because Didriksen does not disclose a static storage area, and Didriksen does not disclose any mechanism to choose where to store items on an item-by-item basis. Items input into Didriksen always end up being stored in the circulating storage arrangement 2.

Didriksen fails to disclose the invention as claimed in claims 14 and 38. Accordingly, claims 14 and 38 are patentable over Didriksen. Claims 15-16, 24-27, 29, 32-37, 40, and 42-46 depend, directly or indirectly, upon claims 14 and 38 and are therefore patentable over Didriksen for at least the reasons stated above. Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §102(b).

#### 35 U.S.C. § 103 Rejections

The Examiner has rejected claims 28 and 39 under 35 U.S.C. § 103(a) as being unpatentable over Didriksen, et al. in view of Coles, et al., U.S. Patent 5,363,258, (hereinafter Coles).

Claims 14 and 38 are patentable over Didriksen for the reasons stated above. Coles does not remedy the shortcomings of Didriksen. Accordingly, claims 14 and 38 are patentable over Didriksen and Coles. Claims 28 and 39 depend upon claims 14 and 38 and are therefore patentable over Didriksen and Coles as well. Accordingly, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a).

The Examiner has rejected claims 31 and 41 under 35 U.S.C. § 103(a) as being unpatentable over Didriksen, et al. in view of Pohjonen, et al., U.S. Patent 5,380,139, (hereinafter Pohjonen).

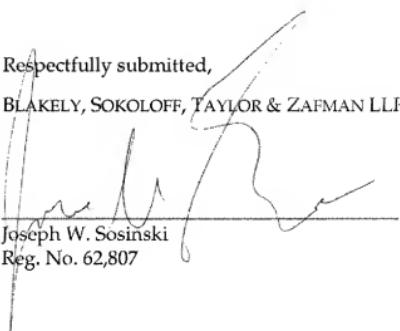
Claims 14 and 38 are patentable over Didriksen for the reasons stated above. Pohjonen does not remedy the shortcomings of Didriksen. Accordingly, claims 14 and 38 are patentable over Didriksen and Pohjonen. Claims 31 and 41 depend upon claims 14 and 38 and are therefore patentable over Didriksen and Pohjonen as well. Accordingly, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a).

Applicant respectfully submits that the applicable rejections and objections have been overcome.

Please charge any shortages and credit any overages to Deposit Account No. 02-2666. Any necessary extension of time for response not already requested is hereby requested. Please charge any corresponding fee to Deposit Account No. 02-2666.

Respectfully submitted,  
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